New Technologies In Tourism

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Technology continues providing faster, more targeted ways of sharing information.

This session explains the latest tools for promoting your community and its attractions more effectively to tourist audiences.

Technology is Changing Travel

Web-based technology is changing the way people and businesses communicate, research, share information, and stay connected.

Market Size and Trends

- Internet travel booking has experienced continued impressive growth; in 2005, nearly 1/3 of all travel bookings were sold online.

- In comparison, overall online retail spending amounted to just 1.9% of all retail spending (U.S. Department of Commerce, 2004).

- According to comScore Media Metrix, the leading category for online spending is travel – posting $15 billion in sales for the first quarter of 2005.

Total U.S. retail sales of Internet travel, at current and constant prices, 2000-05
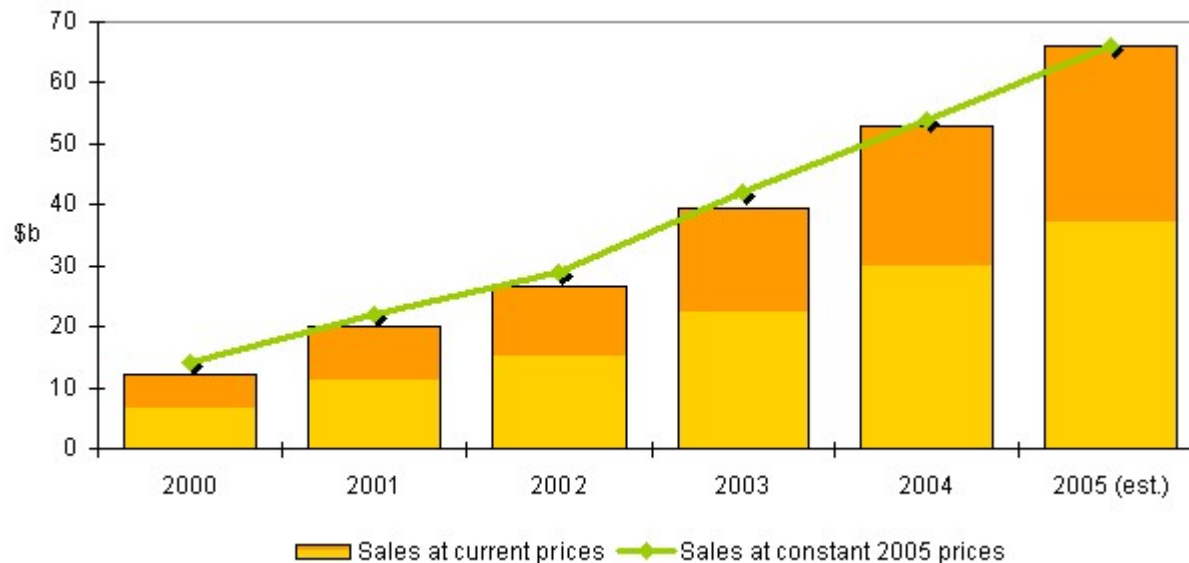
* Adjusted for inflation using the All Items CPI
Source: PhoCusWright/Forrester/Jupiter/Mintel

Community Development

Tourism

Economic Development

Internet Connections on the Rise

Allowing for Greater Access

- – Internet penetration approaches saturation.

- – Higher-speed connections are on the rise.

- – In 2006, an estimated 37.2 million households in the U.S. have high-speed Internet connections.

- – Researching and purchasing travel online is becoming easier for many households with users becoming more confident about purchasing online.

Current State of Tourism Technology

- The Internet is a major distribution channel for the travel industry, providing nearly limitless travel-related content, pricing information and travel planning tools for consumers.

- It has empowered consumers to research, plan and book their own travel. Its transparency has produced more price-sensitive and savvy shoppers.

- The Internet is a critical channel for the industry, destinations, and consumers. It is projected that in 2007 well over 1/3 of all travel will be sold online.

Current State of Tourism Technology

- The U.S. economy is expected to enjoy healthy growth through 2008. Travel spending is increasing at a greater rate than the overall economy.

- This growth can be attributed to growing Internet penetration, increased confidence among users, and improved technology, products and content from online travel resources.

- The Internet provides travelers with an increasing number of options, in the number of available sites and the information, services and products offered.

Current State of Tourism Technology

- Increased options have led to increased competition among travel providers and suppliers. Many companies are battling for the online customer.

- Internet is used as a tool for researching and booking travel. This will continue to trend-up as technology and users become more sophisticated.

- Competition will increase and companies that lead in travel research and booking feature improvements, targeted promotions and robust CRM programs will reap the greatest benefits.

Booking tools show promise

– More than fifty-percent of consumers surveyed said they traveled for business or leisure in the last year.

– Many are making these purchases online, either directly through the provider or at an online agent site.

– Shopping around on several sites is the preferred method, and nearly 50% of the traveling population subscribes to email alerts and e-Newsletters.

– Online travel and trip management features are widely used, the popularity of sites vary.

– Despite the variance in adoption rates for these tools, potential exists for future growth with a large number of people indicating an interest in future use.
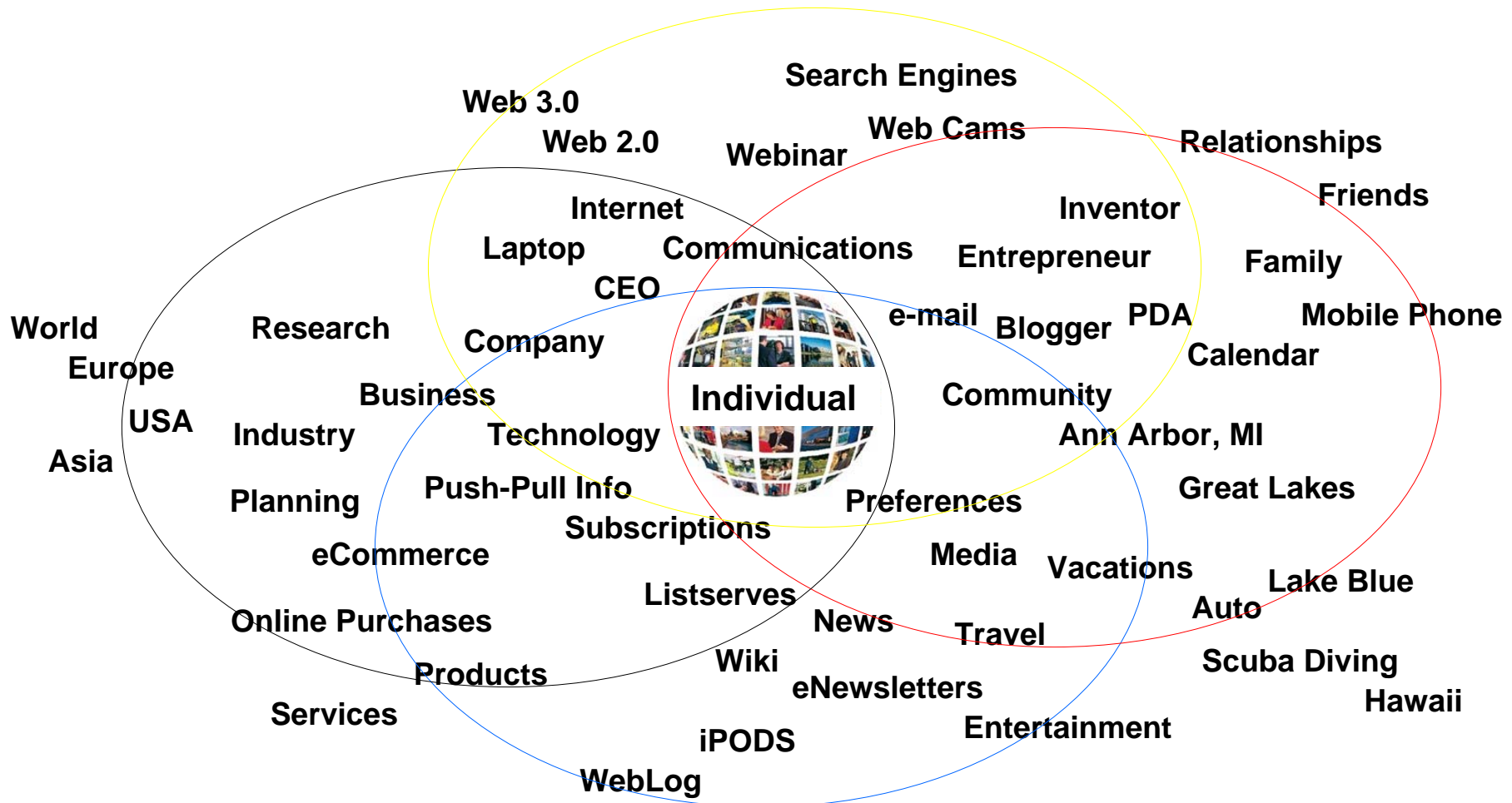
Current State of Tourism Technology

- How are people getting news and information?

- What types of media-channels are they using?

- How are they finding this information?

- What are they doing with the information they find?

- What eTools are available to them?

  - Where are the relationship and communications bridges?
  - Digital asset sharing – photos, text, video, web-logs, blogs
  - Knowledge sharing – opinions and experiences, social networking
  - Information gathering - Push/Pulling the data-streams

How do People Find, Use and Share Information?

- – **Internet websites**
- – **Search engines**
- – **Blogs**
- – **E-Mail**
- – **eNewsletters**
- – **List-serves**
- – **Wiki**
- – **iPods**
- – **Pod-casting**
- – **PDA**
- – **Wireless phones**
- – **GPS mapping**
- – **Laptops**
- – **Web-cams**
- – **Webinars**
- – **RSS feeds**
- – **Web-TV**
- – **GPS mapping**
- – **Online games**
- – **Social networking and personal sites**
- – **Push/Pull subscriptions to information**

Technology Connections Map

Search Engines

Web 3.0

Web 2.0 Webinar Web Cams Relationships

Internet Friends

Laptop Communications Inventor

CEO Entrepreneur Family

World Research Company e-mail PDA Mobile Phone

Europe Blogger Calendar

USA Business Community

Asia Industry Technology Ann Arbor, MI

Planning Push-Pull Info Preferences Great Lakes

eCommerce Subscriptions Media Vacations Lake Blue

Listserves Auto

Online Purchases News Travel Scuba Diving

Products Wiki Hawaii

Services eNewsletters Entertainment

iPODS

WebLog

Individual

How did YOU plan your last vacation?

- **What eTools were available to you?**
 - Travel planning websites
  - State level websites
  - City or area level websites
  - Links to local information.
- **What research did you do?**
  - Search Engines
  - Travel sites
  - Opinion sites
  - Blogs
  - Message boards
 - Advice- professional and personal contacts

Concierge Society

- **Planning a Trip with a Travel Agency in 1995 …**
  - Personal relationship with client
  - Understood customer preferences
  - Created a tailored itinerary around individual's needs
  - Long-term relationship
  - Annual planning and booking
  - Agent had all the information
  - Brochures
  - Brochure-ware websites
  - Long lead time to plan and book.

eConcierge Society
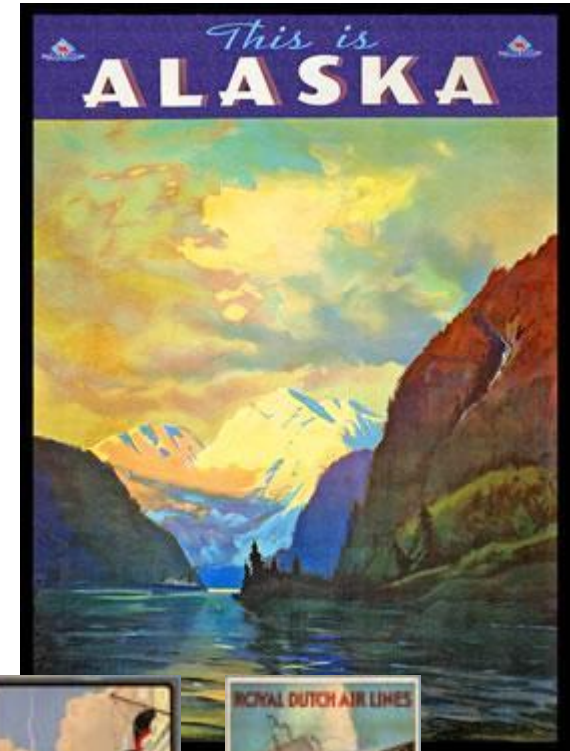
- **eTravel Agent 2007**
  - Customer has personal account to travel related sites of interest
  - Customer driven preferences search out and bookmark favorites
  - Customer creates itinerary around individual needs and books online
  - Push-technology-marketing allows for notices and alerts to special deals *("Ding, you are now fee to move about the country")*
  - eNewsletters, Pod-casts, and travel-logs allow virtual contact and information exchange on scheduled basis
  - Timely offers means lead time shrinks.

eConcierge Society
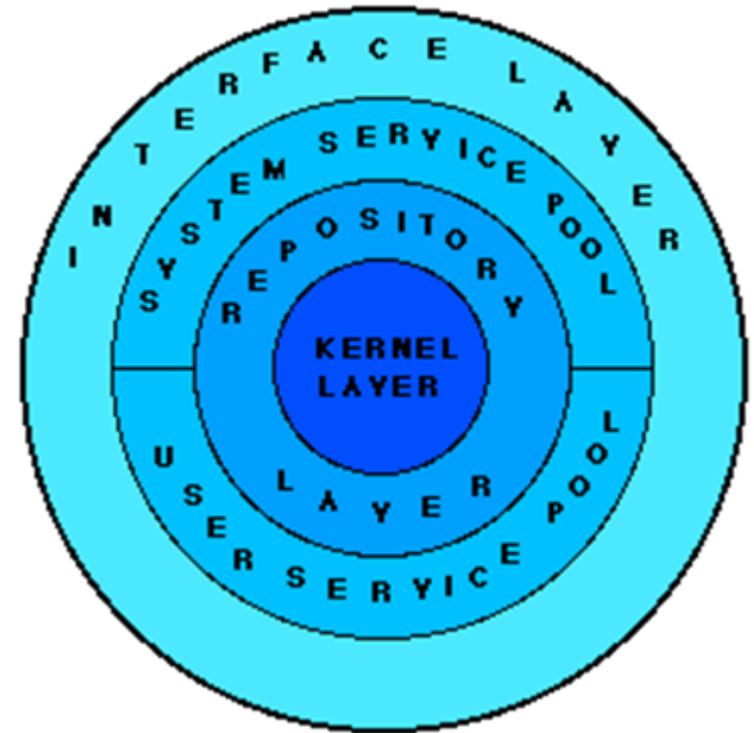
How do you find out what's going on in Michigan?

- **www.michigan.org/travel**
  - **www.travelnorth.org**
    - »**www.mackinawchamber.com**
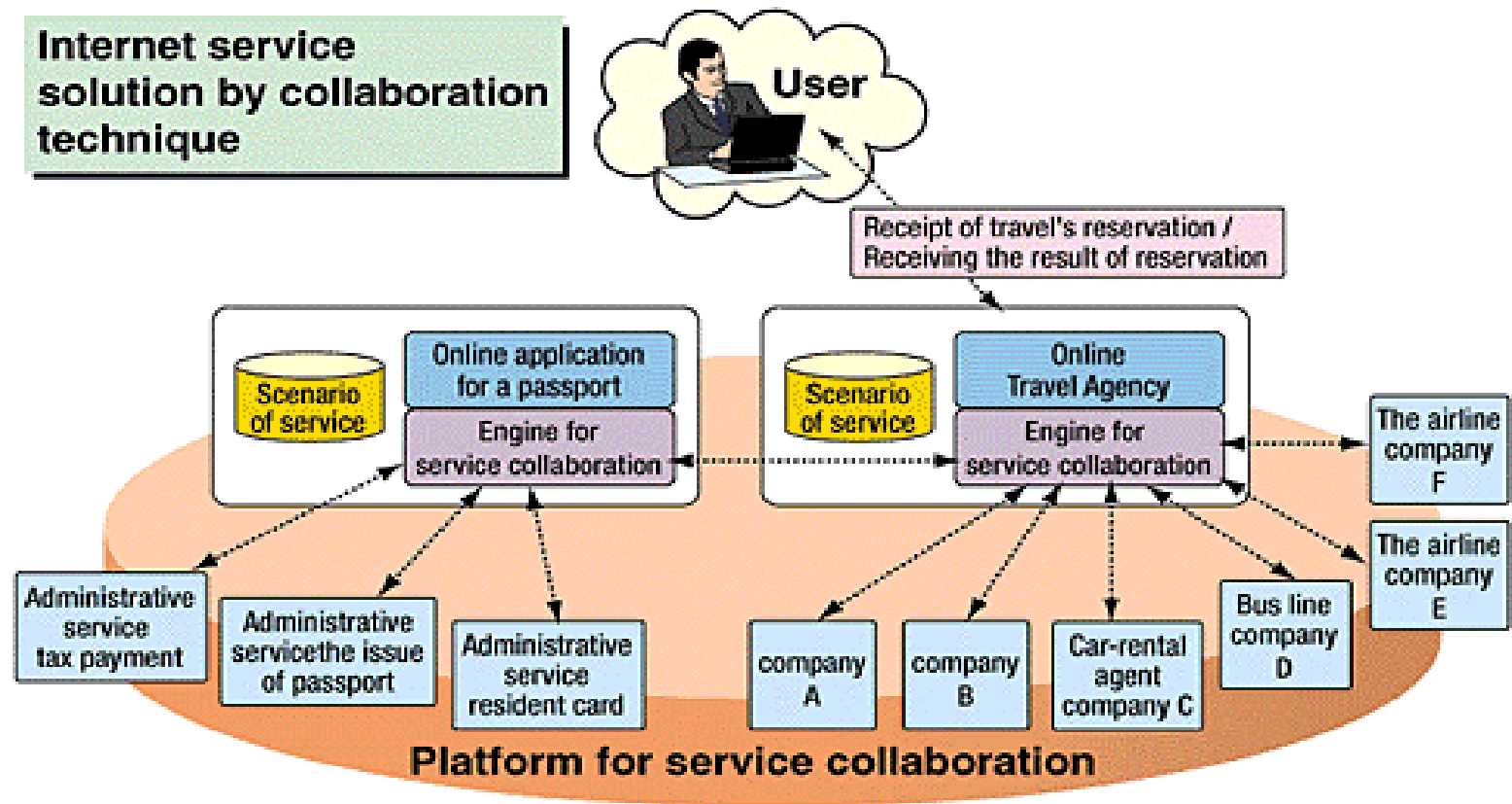   - »**www.specific.com**
    - »*Book On-line…*

Sources of Information

- State tourism website
- Local / regional CVB website
- Local Chamber of Commerce website
- Local traditional media channels (news, TV/cable)
- Local business websites
- City/Township government websites
- Local / National research resources
- Special interest Blogs, social networking websites
- Libraries, Arts, Culture websites

Technology is Connections

Internet service solution by collaboration technique

User

Receipt of travel's reservation / Receiving the result of reservation

Scenario of service — Online application for a passport — Engine for service collaboration

Scenario of service — Online Travel Agency — Engine for service collaboration

The airline company F

The airline company E

Administrative service tax payment

Administrative servicethe issue of passport

Administrative service resident card

company A

company B

Car-rental agent company C

Bus line company D

Platform for service collaboration

Proposing optimum plan of travel in response to user's request
Going through necessary formalities for traveling in user's plan

Web 3.0

- **eTools as personal advisors**
  - Financial advisory industry is doing this now
  - Text Analytics for industry information and research

- **Relationships**
  - Data relationships respond to an individual's requirements like a personal travel agent would plan a trip for them
  - Information is self-driven by the needs of the individual
  - Filtering agents allow endless preference selections
  - Artificial Intelligence (AI) is used to sort gigabytes of information
  - Relationship doesn't end after the trip is booked – i.e., Flight updates by e-mail and mobile phone alerts

- **Shared web-based technology standards will allow everybody to connect, simplify, and automate the exchange of information**

TRENDS

- Today
  - Examples of new technologies in tourism being applied today
    - www.Travelocity.com
    - www.kayak.com
    - www.newzealand.com
    - www.Hometownlocator.com
    - www.ePodunk.com
    - www.mytravelguide.com
    - www.michigan.org/travel
    - www.modeldmedia.com
    - www.travelnorth.org

Questions?

- Tomorrow
  - What technologies will be available soon?
  - What doors does this open?
  - How will you connect and reach your audience?
  - How will you keep your audience coming back?

Q&A

Information Resources